



DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

[Docket No. RBS-22-BUSINESS-0028]

Notice of Funding Opportunity for the Value-Added Producer Grants for Fiscal Year 2023

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice of funding opportunity.

SUMMARY: The Rural Business-Cooperative Service (RBCS, Agency), a Rural Development (RD) agency of the United States Department of Agriculture (USDA), announces acceptance of applications under the Value-Added Producer Grant (VAPG) program for Fiscal Year (FY) 2023, subject to the availability of funding. This Notice is being issued in order to allow applicants sufficient time to leverage financing, prepare and submit their applications, and give the Agency time to process applications within FY 2023. The Agency currently estimates that approximately \$31 million will be available for FY 2023. Successful applications will be selected by the Agency for funding and subsequently awarded to the extent that funding may ultimately be made available through appropriations. All applicants are responsible for any expenses incurred in developing their applications.

DATES: Electronic applications e-filed through <https://www.grants.gov> must be filed by 11:59 p.m. Eastern Time (ET) on **[INSERT DATE 55 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

Complete paper applications must be submitted by close of business on **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]** in the USDA RD State Office of the State where the project is located, Paper applications must be postmarked and mailed, shipped or sent overnight, hand carried or emailed by

this date.

Late applications are not eligible for grant funding under this Notice.

ADDRESSES: This funding announcement will also be announced on www.grants.gov.

Electronic applications are to be submitted through www.grants.gov.

To submit a paper application, send it to the USDA RD State Office located in the state where the project will primarily take place. Applicants can find USDA RD State Office contact information at <http://www.rd.usda.gov/contact-us/state-offices>. To submit an application through email, contact the respective USDA RD State Office to obtain the Agency email address where the application will be submitted.

Application materials are also available at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

FOR FURTHER INFORMATION CONTACT: Greg York at 202-281-5259, gregory.york@usda.gov or Mike Daniels at 715-345-7637, mike.daniels@usda.gov, Program Management Division, RBCS, USDA, 1400 Independence Avenue, S.W., Mail Stop 3226, Room 5801-S, Washington, D.C. 20250-3226.

SUPPLEMENTARY INFORMATION:

Overview

Federal Awarding Agency Name: Rural Business-Cooperative Service

Funding Opportunity Title: Value-Added Producer Grant

Announcement Type: Notice of Funding Opportunity (NOFO)

Funding Opportunity Number: RDBCP-VAPG-2023

Assistance Listing: 10.352

Dates: Electronic applications filed through <https://www.grants.gov> must be filed by 11:59 p.m. Eastern Time (ET) on **[INSERT DATE 55 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

A complete paper application must be submitted by close of business on **[INSERT**

DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL*

REGISTER] in the USDA RD State Office of the State where the project is located, or it will not be considered for funding. Paper applications must be postmarked and mailed, shipped or sent overnight, hand carried or emailed by this date.

Late applications are not eligible for grant funding under this Notice.

Rural Development Key Priorities: The Agency encourages applicants to consider projects that will advance the following key priorities (more details available at <https://www.rd.usda.gov/priority-points>):

- Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure;
- Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects; and
- Reducing climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities.

A. Program Description

1. *Purpose of the Program.* The objective of this grant program is to assist viable Independent Producers, Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Businesses in starting or expanding value-added activities related to the processing and/or marketing of Value-Added Agricultural Products. Grants will be awarded competitively for either planning or working capital projects directly related to the processing and/or marketing of value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals of the program. All proposals must demonstrate economic viability and sustainability to compete for funding.

2. *Statutory and Regulatory Authority:* The VAPG program is authorized under section 231 of the Agriculture Risk Protection Act of 2000 (Pub. L. 106-224), as amended by

section 10102 of the Agriculture Improvement Act of 2018 (Pub. L. 115-334) (see 7 U.S.C. 1627c) and implemented by 7 CFR part 4284, subpart J.

3. *Definitions.* The definitions applicable to this Notice are published at 7 CFR 4284.902. In addition, the following definitions apply to this notice:

(a) *Majority-Controlled Producer-Based Business Venture*, incorporated from Section 10102 of the Agriculture Improvement Act of 2018, means a venture greater than 50 percent of the ownership and control of which is held by—

- (1) 1 or more producers; or
- (2) 1 or more entities, 100 percent of the ownership and control of which is held by 1 or more producers. The term ‘entity’ means—
 - (i) a partnership;
 - (ii) a limited liability corporation;
 - (iii) a limited liability partnership; or
 - (iv) a corporation.

(b) *Market Expansion Project* means a project in which the Independent Producer applicant seeks to expand the market for an existing value-added product (produced and marketed by the applicant for at least 2 years at the time of application) through sales to demonstrably new markets or to new customers in existing markets.

4. *Application of Awards.* The Agency will review, evaluate and score applications received in response to this Notice based on the provisions found in 7 CFR 4284.940, § 4284.942 and as indicated in this Notice. Awards under the VAPG program will be made on a competitive basis using specific selection criteria contained in 7 CFR 4284.942. The Agency advises all interested parties that the applicant bears the full burden in preparing and submitting an application in response to this Notice.

B. Federal Award Information

Type of Awards: Grant

Fiscal Year Funds: FY 2023

Available Funds: The Agency currently estimates that approximately \$31 million will be available for FY 2023. RBCS may at its discretion, increase the total amount of funding available in this funding round from any authorized source provided the awards meet the requirements of the statute which made the funding available to the Agency.

Ten percent of available funds for applications will be reserved for applicants qualifying as Beginning, Veteran, and Socially-Disadvantaged Farmers or Ranchers. 7 CFR 4284.927(f)(1). An additional 10 percent of available funds will be reserved for applications from farmers or ranchers proposing development of Mid-Tier Value Chains. 7 CFR 4284.927(f)(2). Beginning, Veteran, and Socially-Disadvantaged Farmers or Ranchers and applicants proposing Mid-Tier Value Chains not awarded for reserved funds will compete with other eligible VAPG applications. In addition, any funds that become available for persistent poverty counties through enactment of FY 2023 appropriations will be allocated for assistance in persistent poverty counties. Funds not obligated from these reserves by September 30, 2023, will be used for the VAPG general competition and made available in a subsequent application cycle.

Award Amounts: Maximum Planning \$75,000; Maximum Working Capital \$250,000.

Anticipated Award Date: September 30, 2023

Performance Period: Up to 36 months depending on the complexity of the project.

Renewal or Supplemental Awards: None

Type of Assistance Instrument: Financial Assistance Agreement

C. Eligibility Information

1. *Eligible Applicants.* Applicants must comply with other applicable Federal laws per 7 CFR 4284.905(a). Eligible applicants must meet the eligibility requirements of 7 CFR Part 4284 subpart J and this Notice. Applications that fail to meet any of these requirements by the application deadline will be deemed ineligible and will not be

evaluated further.

The application narrative must demonstrate that all applicant eligibility requirements of 7 CFR 4284.920 and § 4284.921 have been met. Application narratives should also take note of the definition requirements at 7 CFR 4284.902, such as by demonstrating that the applicant satisfies the definition for an “Agricultural Producer” ; how you qualify for one of the following applicant types: Independent Producer, Agricultural Producer Group, Farmer or Rancher Cooperative or Majority-Controlled Producer-Based Business Venture; and that the applicant meets the Emerging Market, Citizenship, Legal Authority and Responsibility, Multiple Grants and Active Grants requirements of the section. Required documentation to support eligibility is specified at 7 CFR 4284.931 and this Notice.

RBCS encourages applications from Federally-recognized Tribes and Tribal Entities. Federally-recognized Tribes and Tribal entities must demonstrate that they meet the definition requirements for one of the four eligible applicant types. RD State Offices and posted application toolkits will provide additional information on Tribal eligibility. Tribal applicants are encouraged to contact Agency staff early in the process to discuss applicant and project eligibility. In addition to contacting program staff Tribal applicants can contact USDA Rural Development’s Tribal Relations Team with Tribal specific questions and concerns at aian@usda.gov.

Factors rendering an applicant ineligible are provided at 7 CFR 4284.921. The Agency will check the Do Not Pay (DNP) system to determine if the applicant or its principals has been debarred or suspended (see 7 CFR 4284.921(a)). Per the Consolidated Appropriations Act, sections 520, 744, and 745, 2023 (Pub. L. 117-328) any corporation (i) that has been convicted of a felony criminal violation under any Federal law within the past 24 months or (ii) that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been

exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, is not eligible for financial assistance provided with funds appropriated by this or any other act, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

2. *Cost-Sharing or Matching.* There is a matching fund (cost-sharing) requirement of at least \$1 for every \$1 in grant funds provided by the Agency (matching funds plus grant funds must equal proposed Total Project Cost). Matching funds may be in the form of cash or eligible in-kind contributions. Matching contributions and grant funds may be used only for eligible project purposes, including any contributions exceeding the minimum amount required. 7 CFR 4282.925; 7 CFR 4284.926.

Applicant matching contributions in the form of raw commodity, time contributed to the project, or goods or services for which no out-of-pocket expenditure is made during the grant period, must be characterized as in-kind contributions, subject to the requirements and limitations specified in 7 CFR 4284.925(a)-(b). Donations of goods and services from third parties must be characterized as in-kind contributions. Tribal applicants may utilize grants made available under Public Law 93-638 sec. 104(C), the Indian Self-Determination and Education Assistance Act of 1975, as their matching contribution, and should check with appropriate tribal authorities regarding the availability of such funding. Non-tribal applicant cannot provide matching funds paid by the Federal Government under another Federal award. 7 CFR 4284.931(b)(4)(iv).

Matching funds must be available at the time of application and must be certified and verified as described in 7 CFR 4284.931(b)(3) and (4). Do not include *projected* income as a matching contribution because it cannot be verified as available. Note that

matching funds must also be discussed as part of the scoring criterion Commitments and Support as described below in section E.1.(c).

3. *Other.*

(a) *Project Eligibility.* Applicants must demonstrate within the application narrative that the project meets all the project eligibility requirements of 7 CFR 4284.922.

(1) *Product eligibility.* Applicants for both planning and working capital grants must meet all requirements at 7 CFR 4284.922(a), including that the value-added product must result from one of the five methodologies identified in the definition of Value-Added Agricultural Product at 7 CFR 4284.902. In addition, it must be demonstrated that, as a result of the project, the customer base for the agricultural commodity or value-added product will be expanded, by including a baseline of current customers for the commodity, and an estimated target number of customers that will result from the project; and that, a greater portion of the revenue derived from the marketing or processing of the value-added product is available to the applicant producer(s) of the agricultural commodity, by including a baseline of current revenues from the sale of the agricultural commodity and an estimate of increased revenues that will result from the project. Note that working capital grants for market expansion projects per 7 CFR 4284.922(b) must demonstrate expanded customer base and increased revenue resulting only from sales of existing products to new customers. The VAPG recognizes that market expansion projects may involve marketing and promotion activities such as trade shows, farmers markets, and various media advertising which also result in increased sales to existing customers. However, market expansion award recipients must use grant and matching funds only on activities that demonstrably focus on marketing products they have produced and sold for at least two years, to new markets and/or to new customers in existing markets, such that the producer's customer base (number of customers) is

expanded, per program requirements. Grant and matching funds cannot be deliberately expended on sales of existing products to existing customers.

In addition, per the Agriculture Improvement Act of 2018 (Public Law 115-334), working capital applications must include a statement describing the direct or indirect producer benefits intended to result from the proposed project within a reasonable period of time after the receipt of a grant.

(2) *Purpose eligibility.* Applicants' purpose for the grant application, for both planning and working capital grants, must meet all requirements at 7 CFR 4284.922 regarding maximum grant amounts, verification of matching funds, eligible and ineligible uses of grant and matching funds, and a substantive, detailed work plan and budget.

(i) *Planning grants.* A planning grant is used to fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture, specifically for paying a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan associated with the processing and/or marketing of a value-added agricultural product. Planning grant funds may not be used to fund working capital activities. 7 CFR 4284.925(a).

(ii) *Working Capital Grants.* This type of grant provides funds to operate a value-added project, specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added products that are eligible uses of grant funds. Working capital funds may not be used for planning purposes.

(3) *Reserved funds eligibility.* To qualify for reserved funds as a Beginning, Veteran, or Socially-Disadvantaged Farmer or Rancher or for proposed development of a Mid-Tier Value Chain, the requirements found at 7 CFR 4284.923 must be met. Documentation must also be provided indicating that the applicant meets all the requirements for the applicable definition specified in 7 CFR 4284.902 and provide all of the required documentation specified in 7 CFR 4284.931. If the application is eligible,

but is not awarded under the reserved funds, it will automatically be considered for general funds in that same fiscal year, as funding levels permit.

(b) *Eligible Uses of Grant and Matching Funds.* Eligible uses of grant and matching funds are discussed, along with examples, in 7 CFR 4284.925. In general, grant and cost-share matching funds have the same use restrictions and must be used to fund only the costs for eligible purposes as defined at 7 CFR 4284.925(a) and (b).

(c) *Ineligible Uses of Grant and Matching Funds.* Federal procurement standards prohibit transactions that involve a real or apparent conflict of interest for owners, employees, officers, agents, or their immediate family members having a personal, professional, financial or other interest in the outcome of the project, including organizational conflicts, and conflicts that restrict open and free competition for unrestrained trade. A list (not all-inclusive) of ineligible uses of grant and matching funds is found in 7 CFR 4284.926.

(d) *Application limit.* An applicant may submit only one application in response to a solicitation and must explicitly direct that it competes in either the general funds competition or in one of the named reserved funds competitions. 7 CFR 4284.920(e). Multiple applications from separate entities with identical or greater than 75 percent common ownership, or from a parent, subsidiary or affiliated organization (with “affiliation” defined by Small Business Administration regulation 13 CFR 121.103, or successor regulation) are not permitted. Further, applicants who have already received a Planning Grant for the proposed project cannot receive another Planning Grant for the same project. Applicants who have already received a Working Capital Grant for the proposed project cannot receive any additional grants for that project. Proposals from previous award recipients should be substantially different in terms of products and/or markets and should not merely be extensions of previously funded projects. Applicant entities regardless of ownership percentage that are comprised of the same individuals of

a previously awarded VAPG project (recipient) can only submit proposals documenting how the new project is substantially different in terms of products and/or markets from the previously funded project.

(e) *Alcohol Projects.* Applicants who are proposing working capital grants to produce and market value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise must comply with Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations published at 27 CFR chapter 1, including but not limited to permitting, filing of taxes and operational reports. Please visit TTB's website at <https://www.ttb.gov/> for more information. Applicant's that are not in compliance with TTB's requirements may be deemed ineligible by the Agency. If, at any time after a VAPG award has been received, the Applicant is found to be in noncompliance with TTB's operational reporting or tax requirements, the Agency may determine that the Applicant is not in compliance with the grant terms and conditions.

(f) *Hemp Projects.* In determining eligibility for the applicant, project or use of funds, any project applying for funding under the Value-Added Producer Grant program and proposing to produce, procure, supply or market any component of the hemp plant or hemp related by-products, must have a valid license from an approved State, Tribal or Federal plan pursuant to Section 10113 of the 2018 Farm Bill, be in compliance with regulations published by the Agricultural Marketing Service at 7 CFR part 990, and meet any applicable U.S. Food and Drug Administration and U.S. Drug Enforcement Administration regulatory requirements. Verification of valid hemp licenses will occur prior to award.

D. Application and Submission Information

1. *Address to Request Application Toolkit.* The application toolkit, regulation, and official program notification for this funding opportunity can be obtained online at

<http://www.rd.usda.gov/programs-services/value-added-producer-grants>. You may also contact your USDA RD State Office by visiting <http://www.rd.usda.gov/contact-us/state-offices>. The toolkit contains an application checklist, templates, required grant forms, and suggestions. Based upon success of past applicants, the Agency highly recommends the use of the templates in the application toolkit. However, it is not mandatory to use the application toolkit, and only this Notice or information from www.grants.gov, and applicable regulations and statutes should be relied on when evaluating application requirements, grant awards, and reporting requirements.

2. *Content and Form of Application Submission*. Applications must contain all the required forms and proposal elements described in 7 CFR 4284.931, unless otherwise clarified in this notice. Applicants must become familiar with the program regulation at 7 CFR Part 4284 Subpart J to submit a complete and eligible application. Basic application contents are outlined below:

(a) Standard Form (SF)-424, “Application for Federal Assistance,” is required. 7 CFR 4284.931(a)(1). The forms require the applicant to include their Unique Entity Identifier (UEI) and expiration date (or evidence that the System for Award Management (SAM) registration process has begun). If the UEI is not included in the application, it will not be considered for funding.

(b) SF-424A, “Budget Information - Non-Construction Programs” is required. 7 CFR 4284.931(a)(2).

(c) Permit. Applicants must provide a valid permit or evidence of having begun the permitting process if proposing a working capital grant to produce and market value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise; or tobacco or tobacco products, as specified in 27 CFR chapter 1.

(d) Producer license. Applicants must provide a valid producer license issued by a State, Tribe, or USDA, as applicable, or in accordance with 7 CFR part 990 if proposing to market value-added hemp products.

(e) Executive Summary and Abstract. A one-page Executive Summary containing the following information: legal name of applicant entity, application type (planning or working capital), applicant type, amount of grant request, a summary of the project, whether it is a simplified application, and whether reserved funds are being requested. Also include a separate abstract of up to 100 words briefly describing the project.

(f) Eligibility discussion. 7 CFR 4284.931(b)(1).

(g) Work plan and budget.

(h) Performance evaluation criteria. 7 CFR 4284.931(b)(2)(i).

(i) Proposal evaluation criteria. 7 CFR 4284.931(b)(2)(ii).

(j) Certification and verification of matching funds. 7 CFR 4284.931(b)(3)-(4).

(k) Optionally, reserved Funds and Priority Point documentation .7 CFR 4284.924.

(l) Feasibility studies, business plans, and/or marketing plans, as applicable. 7 CFR 4284.931(b)(5)-(6).

(m) Appendices containing required supporting documentation.

(n) Applicants requesting less than \$50,000 are permitted to submit a simplified application, the contents of which are specified in this notice. Applicants requesting Working Capital Grants of less than \$50,000 are not required to provide Feasibility Studies or Business Plans but must provide information demonstrating increases in customer base and revenue returns to the producers supplying the majority of the Agricultural Commodity as a result of the project. 7 CFR 4284.932.

3. *System for Award Management and Unique Entity Identifier.*

(a) At the time of application, each applicant must have an active registration in the System for Award Management (SAM) before submitting its application in accordance with 2 CFR 25. In order to register in SAM, entities will be required to create a Unique Entity Identifier (UEI). Instructions for obtaining the UEI are available at <https://sam.gov/content/entity-registration>.

(b) Applicant must maintain an active SAM registration, with current, accurate and complete information, at all times during which it has an active Federal award or an application under consideration by a Federal awarding agency.

(c) Applicant must ensure they complete the Financial Assistance General Certifications and Representations in SAM.

(d) Applicants must provide a valid UEI in its application, unless determined exempt under 2 CFR 25.110.

(e) The Agency will not make an award until the applicant has complied with all SAM requirements including providing the UEI. If an applicant has not fully complied with the requirements by the time the Agency is ready to make an award, the Agency may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

4. *Submission Dates and Times.* Electronic applications filed through

<https://www.grants.gov> must be filed by 11:59 p.m. Eastern Time (ET) on **[INSERT**

DATE 55 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL*

REGISTER]. Grants.gov will not accept applications submitted after the deadline.

Paper applications must be postmarked and mailed, shipped, sent overnight, hand carried,

or emailed by close of business on **[INSERT DATE 60 DAYS AFTER DATE OF**

PUBLICATION IN THE *FEDERAL REGISTER*] to the USDA RD State Office

where the project is located. USDA RD State Office contact information is located at

<http://www.rd.usda.gov/contact-us/state-offices>. The Agency will determine if the application is late based on the date shown on the postmark or shipping invoice.

If the due date falls on a Saturday, Sunday, or Federal holiday, the application is due the next business day. The Agency will not solicit or consider new scoring or eligibility information that is submitted after the application deadline. The Agency also reserves the right to ask applicants for clarifying information and additional verification of assertions in the application. Late applications will automatically be considered ineligible and will not be evaluated further.

5. *Intergovernmental Review*. Executive Order (E.O.) 12372, “Intergovernmental Review of Federal Programs,” applies to this program. This E.O. requires that Federal agencies provide opportunities for consultation on proposed assistance with State and local governments. Many states have established a Single Point of Contact (SPOC) to facilitate this consultation. For a list of States that maintain a SPOC, please see the White House Web site: <https://www.whitehouse.gov/omb/management/office-federal-financial-management/>. If your State has a SPOC, you may submit a copy of the application directly for review. Any comments obtained through the SPOC must be provided to your State Office for consideration as part of your application. If your state has not established a SPOC, you may submit your application directly to the Agency. Applications from Federally recognized Indian Tribes are not subject to this requirement.

6. *Funding Restrictions*. Funding limitations and reservations found in the program regulation at 7 CFR 4284.927 will apply, including:

(a) *Use of Funds*. Grant and matching funds may only be used for eligible purposes. Eligible and ineligible uses are provided in 7 CFR 4284.925 and § 4284.926, respectively. Grant funds may not be used to pay any costs of the project incurred prior to the date of grant approval.

(b) *Period of Performance (grant period)*. The project timeframe or grant

period can be a maximum of 36 months in length from the date of award, depending on the complexity of the project. 7 CFR 4284.922(5)(iv); 7 CFR 4284.927(c). The proposed grant period should begin no earlier than the anticipated award announcement date in this notice and should end no later than 36 months following that date. If an Applicant receives an award, the grant period will be revised to begin on the actual date of award—the date the grant agreement is executed by the Agency—and the grant period end date will be adjusted accordingly. The project activities should begin within 90 days of that date of award. 7 CFR 4284.927(c). The length of the grant period should be based on the project's complexity, as indicated in the application work plan. For example, it is expected that most planning grants can be completed within 12 months.

(c) *Program Income*. If Program Income is earned during the grant period as a result of the project activities, it is subject to the requirements in 2 CFR 200.307 and must be managed and reported accordingly.

(d) *Majority Controlled Producer-Based Business*. The aggregate amount of funds awarded to Majority Controlled Producer-Based Businesses in response to this announcement shall not exceed 10 percent of the total funds obligated for the program during the fiscal year. 7 CFR 4284.927(d).

(e) *Local Agriculture Marketing Program (LAMP) Food Safety Implementation*. Until Farm Bill implementation is finalized via the Agency rulemaking process, there will not be food safety reserve funding. Food safety training, certifications, and supplies that are eligible under the current program regulation may continue to be included in the work plan/budget.

(f) *Reserved Funds*. Ten percent of all funds available will be reserved to fund projects that benefit Beginning Farmers or Ranchers, Veteran Farmers or Ranchers, or Socially-Disadvantaged Farmers or Ranchers. In addition, 10 percent of total funding available will be used to fund projects that propose development of Mid-Tier Value

Chains as part of a Local or Regional Supply Network. See related definitions in 7 CFR 4284.902. In addition, any funds that become available for persistent poverty counties through enactment of FY 2023 appropriations will be allocated for assistance in persistent poverty counties.

(g) *Disposition of Reserved Funds Not Obligated.* For this notice, any reserved funds that have not been obligated by September 30, 2023, will be available to the Secretary to make VAPG grants in the next Fiscal Year in accordance with section 210A(i)(3)(D)(ii) of the Agricultural Marketing Act of 1946, as amended.

7. *Other Submission Requirements.*

(a) *Electronic submission.* To apply electronically, applicant must follow the instructions for this funding announcement at <http://www.grants.gov>. Use the search features along with a keyword, program name, or the Assistance Listing Number to find the Grant Opportunity for this Notice.

To use Grants.gov, Applicants must already have a Unique Entity Identifier (UEI) and must also be registered and maintain registration in SAM. The UEI is assigned by SAM and replaces the formerly known Dun & Bradstreet D-U-N-S Number. The UEI must be associated with the correct tax identification number of the VAPG applicant. It is strongly recommended that Applicants do not wait until the application deadline date to begin the application process through Grants.gov.

If submitting the application electronically, all application documents must be submitted through Grants.gov.

After electronically applying through Grants.gov, Applicants will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number.

(b) *Paper submission.* Paper or email submittals should be sent to the USDA RD State Office located in the state where the project will primarily take place. USDA

RD State Offices contact information is at <http://www.rd.usda.gov/contact-us/state-offices>. Fax submittals will not be accepted. USDA RD State Offices should be contacted if there are any questions about eligibility or submission requirements.

Applicants should contact USDA RD State Offices well in advance of the application deadline to discuss the project and to ask any questions about the application process.

E. Application Review Information

1. *Criteria.* The Agency will only score applications in which the applicant and project are eligible, which are complete and sufficiently responsive to program requirements, and in which the Agency agrees on the likelihood of financial feasibility for working capital requests. Applications will be scored in accordance with the procedures and criteria specified in 7 CFR 4284.942, and with tiered scoring thresholds as specified below. For each criterion, Applicants must show how the project has merit and why it is likely to be successful. The justification for each criterion must be included in the body of the application, including summarizations of any feasibility studies, business and marketing plans. Scoring information must be readily identifiable in the application or it will not be considered. 7 CFR 4284.942(a). If Applicants do not address all parts of the criterion, or do not sufficiently communicate relevant project information, low scores will be received. The VAPG is a competitive program therefore scores received are based on the quality of the Applicant's responses. Simply addressing the criteria will not guarantee higher scores. The total maximum number of points that can be awarded for an application is 100. For this Notice, the total minimum score requirement for funding is 50 points.

The Agency application toolkit provides additional instructions to help you to respond to the criteria below.

(a) *Nature of the proposed venture (graduated score 0 - 30 points).* For both planning and working capital grants, Applicants must discuss the technological feasibility

of the project, as well as operational efficiency, profitability, and overall economic sustainability resulting from the project. Applicants must also demonstrate the potential for expanding the customer base for the agricultural commodity or value-added product, and the expected increase in revenue returns to the producer-owners providing the majority of the raw agricultural commodity to the project. Working capital applicants must also provide the potential number of jobs that will result from the project, along with a justifiable basis for these projections. Please see the application template for more information. All applicants must reference and summarize third-party data and other information that specifically supports value-added projects; discuss the value-added process being proposed; potential markets and distribution channels; the value to be added to the raw commodity through the value-added process; cost and availability of inputs, applicant's experience in marketing the proposed or similar product; business financial statements; and any other relevant information that supports the viability of the project. Working capital applicants should demonstrate that these outcomes will result from the project and include supportable projections of increase in customer base, revenue returned to producers and jobs resulting from the project in order to receive up to the maximum number of points. Planning grant applicants should describe the expected results, and the reasons supporting those expectations. Points will be awarded as follows:

0 points will be awarded if the application does not address the criterion.

1-5 points will be awarded if the application does not address each of the following: technological feasibility, operational efficiency, profitability, and overall economic sustainability.

6-13 points will be awarded if the application addresses technological feasibility, operational efficiency, profitability, and overall economic sustainability, but do not reference third-party information that supports the success of the project.

14-22 points will be awarded if the application addresses technological feasibility, operational efficiency, profitability, and overall economic, supported by third-party information demonstrating a reasonable likelihood of success.

23-30 points will be awarded if all criterion components are well addressed, supported by third-party information, and demonstrate a high likelihood of success.

(b) *Qualifications of project personnel (graduated score 0 - 20*

points). Applicants must identify all individuals who will be responsible for managing and completing the proposed tasks in the work plan, including the roles and activities that owners, staff, contractors, consultants or new hires may perform; and show that these individuals have the necessary qualifications and expertise, including those hired to do market or feasibility analyses, or to develop a business operations plan for the value-added venture. Applicants must include the qualifications of those individuals responsible for leading or managing the total project (applicant owners or project managers), as well as those individuals responsible for conducting the various individual tasks in the work plan (such as consultants, contractors, staff or new hires). Applicants must discuss the commitment and the availability of any consultants or other professionals to be hired for the project; especially those who may be consulting on multiple VAPG projects. If staff or consultants have not been selected at the time of application, specific descriptions of the qualifications required for the positions to be filled must be provided. Applications that demonstrate the strong credentials, education, capabilities, experience and availability of project personnel that will contribute to a high likelihood of project success will receive more points than those that demonstrate less potential for success in these areas. Points will be awarded as follows:

0 points will be awarded if you do not address the criterion.

1-4 points will be awarded if qualifications and experience of all staff is not addressed and/or if necessary, qualifications of unfilled positions are not provided.

5-9 points will be awarded if all project personnel are identified but do not demonstrate qualifications or experience relevant to the project.

10-14 points will be awarded if most key personnel demonstrate strong credentials and/or experience, and availability indicating a reasonable likelihood of success.

15-20 points will be awarded if all personnel demonstrate strong, relevant credentials or experience, and availability indicating a high likelihood of project success.

(c) *Commitments and support (cumulative score 0 - 10 points)*. Producer, end-user, and third-party commitments will be evaluated under this criterion. Sole proprietors can receive a maximum of 9 points. Multiple producer applications can receive a maximum of 10 points.

(1) *Independent Producer Commitments* to the project will be evaluated based on the number of named and documented independent producers currently involved in the project; and the nature, level and quality of their contributions. Points will be awarded as follows:

Sole Proprietor (one owner/producer applicant): 1 point

Multiple Independent Producers (note that in cases where family members, such as husband and wife, are eligible Independent Producers, each family member will count as one Independent Producer): 2 points

(2) *End-User Commitments* will be evaluated based on potential or identified markets and the potential amount of output to be purchased, as indicated by letters of intent or contracts (purchase orders) from potential buyers referenced within the

application. Applications that demonstrate documented intent to purchase the value-added product will receive more points. Note that for planning grants, this criterion can be addressed by evidence of interest or support from identified or potential customers.

Points will be awarded as follows:

No, or insufficiently documented, commitment from end-users: 0 points

Well-documented commitment from one end-user: 1 point

Well-documented commitment from more than one end-user: 2 points

(3) *Third-party Commitments* to the project will be evaluated based on the critical and tangible nature of their contribution to the project, such as technical assistance, storage, processing, marketing, or distribution arrangements that are necessary for the project to proceed; and the level and quality of these contributions. Applications that demonstrate strong technical and logistical support to successfully complete the project will receive more points. Points will be awarded as follows:

No, or insufficiently documented, commitment from third parties: 0 points

Well-documented commitment from one third party: 1 point

Well-documented commitment from more than one third party: 2 points

(4) *Letters of Commitment* by producers, end-users, and third parties should be summarized as part of the response to this criterion, and the letters must be included in Appendix B. Please note that VAPG does not require Congressional letters of support, nor do they carry any extra weight during the evaluation process. Also, note that because applications with cash matching contributions are awarded more points than those pledging only in-kind contributions, applicants will not be able to substitute an in-kind match for cash after awards are made. Points will be awarded as follows:

No cash match: 0 points

Cash match equals less than 50 percent of the matching contribution: 1 point

Cash match equals 50 percent or more of the matching contribution: 2 points

Cash match equals 100 percent of the matching contribution: 4 points

(d) *Work plan and budget (graduated score 0 - 20 points).* A comprehensive work plan and budget must be submitted in accordance with 7 CFR 4284.922(b)(5). The work plan must provide specific and detailed descriptions of the tasks and the key project personnel that will accomplish the project's goals. The budget must present a detailed breakdown and description of all estimated costs of project activities (including source and basis for their valuation) and allocate those costs among the listed tasks. Applicants must show the source and use of both grant and matching funds for all tasks. Matching funds must be spent at a rate equal to, or in advance of, grant funds. An eligible start and end date for the entire project, as well as for each individual project task must be clearly shown. The project timeframe must not exceed 36 months and should be scaled to the complexity of the project. Working capital applications must include an estimate of program income expected to be earned during the grant period (see 2 CFR 200.307).

Points will be awarded as follows:

0 points will be awarded if the application does not address the criterion.

1-7 points will be awarded if the work plan and budget do not account for all project goals, tasks, costs, timelines, and responsible personnel.

8-14 points will be awarded if the application provides a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a reasonable likelihood of success.

15-20 points will be awarded if the application provides a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a high likelihood of success.

(e) *Priority points up to 10 points (lump sum 0 or 5 points plus, cumulative*

score 0 - 5 points). Priority points may be awarded in both the general funds and reserved funds competitions.

(1) Five (5) points will be awarded if the applicant meets the requirements for one of the following categories and provide the documentation described in 7 CFR 4284.923 and 4284.924 as applicable: Beginning Farmer or Rancher, Socially-Disadvantaged Farmer or Rancher, Veteran Farmer or Rancher, or Operator of a Small or Medium-sized Farm or Ranch that is structured as a Family Farm, Farmer or Rancher Cooperative, or are proposing a Mid-Tier Value Chain project.

(2) Up to 5 priority points will be awarded if the Applicant is an Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture (referred to below as “applicant group”) whose project “best contributes to creating or increasing marketing opportunities” for Operators of Small and Medium-sized Farms and Ranches that are structured as Family Farms, Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, and Veteran Farmers and Ranchers (referred to below as “priority groups”). For each of the priority point levels below, applications must demonstrate how the proposed project will contribute to new or increased marketing opportunities for respective priority groups. Applicants will not be awarded more than 5 points even if they qualify for more than one of the priority categories.

(i) Two (2) priority points will be awarded if the existing membership of the applicant group is comprised of either more than 50 percent of any one of the four priority groups or more than 50 percent of any combination of the four priority groups.

(ii) One (1) additional priority point will be awarded if the existing membership of the applicant group is comprised of two or more of the priority groups. One point is awarded regardless of whether a group’s membership is comprised of two, three, or all four of the priority groups.

(iii) Two (2) additional priority points will be awarded if the applicant's proposed project will increase the number of priority groups that comprise applicant membership by one or more priority groups. However, if an applicant group's membership is already comprised of all four priority groups, such an applicant would not be eligible for points under this criterion because there is no opportunity to increase the number of priority groups. Note also that this criterion does not consider either the percentage of the existing membership that is comprised of the four priority groups or the number of priority groups currently comprising the applicant group's membership.

(f) *Administrator priority categories (cumulative score 0 - 10 points).* The Administrator of the Agency may choose to award priority points to improve the geographic diversity of awardees and to applications for projects that will advance RD Key Priorities (<https://www.rd.usda.gov/priority-points>) as defined and measured on the RD Key Priorities website.

(1) Applications may also be awarded points for the following three priorities:

(i) Assisting rural communities recover economically through more and better market opportunities and through improved infrastructure. Proposals where the project is located in or serving one of the top 10% of counties or county equivalents based upon county risk score in the United States. Information on this priority may be found at: <https://www.rd.usda.gov/priority-points>.

(ii) Ensuring all rural residents have equitable access to RD programs and benefits from RD funded projects. Direct technical assistance to a project located in or serving a community with a score 0.75 or above on the CDC Social Vulnerability Index. Information on this priority may be found at: <https://www.rd.usda.gov/priority-points>.

(iii) Reduce climate pollution and increasing resilience to the impacts of climate change through economic support to rural communities. Direct technical

assistance to a project addressing climate impacts shown as either quantitative or qualitative. Additional information on this priority may be found at:
<https://www.rd.usda.gov/priority-points>.

(A) Quantitative: Project is located in or serving coal, oil and gas, and power plant communities whose economic well-being ranks in the most distressed tier of the Distressed Communities Index.

(B) Qualitative: Demonstrating how proposed climate-impact projects improve the livelihoods of community residents and meet pollution mitigation or clean energy goals.

(2) The Agency will confirm if the project is located in an area qualifying for these priorities. However, the applicant can provide a written narrative in the application on how the project reduces climate pollution and increases resilience to the impacts of climate change if the project is not located in or serving coal, oil and gas, and power plant communities whose economic well-being ranks in the most distressed tier.

2. Review and Selection Process. Applications will be reviewed and processed as described at 7 CFR 4284.940. The Agency will review applications to determine if they are complete and eligible. If at any time, the Agency determines that the application is ineligible, the Applicant will be notified in writing as to the reasons it was determined ineligible and will be informed of review and appeal rights. Funding of successfully appealed applications will be limited to available funds.

The Agency will select applications for award under this notice in accordance with the provisions specified in 7 CFR 4284.950(a).

If an application is eligible and complete, it will be qualitatively scored by at least two reviewers based on criteria specified in section E.1. of this Notice. One of these reviewers will be an experienced RD employee from the applicable servicing State Office and at least one additional reviewer will be a non-Federal, independent reviewer.

Independent reviewers must have at least a bachelor's degree in one or more of the following fields: agri-business, agricultural economics, agriculture, animal science, business, marketing, economics or finance; or a minimum of 8 years of experience in an agriculture-related field (e.g., farming, marketing, consulting, or research; or as university faculty, trade association official, or non-Federal government official in an agriculturally related field). Each reviewer will score evaluation criteria (a) through (d) and the totals for each reviewer will be added together and averaged. The RD State Office reviewer will also assign priority points based on criterion (e) and (f) in section E.1. of this notice. These will be added to the average score. The sum of these scores will be ranked highest to lowest and this will comprise the initial ranking. To become a non-federal independent reviewer, please contact Grant Solutions at vapgreview@grantreview.org.

The Administrator of the Agency may choose to award up to 10 Administrator priority points based on criteria (f) in section E.1. of this Notice. These points will be added to the cumulative score for a total possible score of 100.

A final ranking will be obtained based solely on the scores received for criteria (a) through (d) and priority point under (e) and (f). A minimum score of 50 points is required for funding. Applications for reserved funds will be funded in rank order until funds are depleted. Unfunded reserve applications will be returned to the general funds where applications will be funded in rank order until the funds are expended. Funding for Majority Controlled Producer-Based Business Ventures is limited to 10 percent of total grant funds expected to be obligated as a result of this notice. These applications will be funded in rank order until the funding limitation has been reached. Grants to these applicants from reserved funds will count against this funding limitation. In the event of tied scores, the Administrator shall have discretion in breaking ties. The Agency reserves the right to offer the applicant less than the grant funding requested.

If the application is ranked, but not funded, it will not be carried forward into the

next application funding cycle.

F. Federal Award Administration Information

1. *Federal Award Notices.* If you are selected for funding, you will receive a signed Notice of Federal award containing instructions on requirements necessary to proceed with execution and performance of the award.

If you are not selected for funding, you will be notified in writing and informed of any review and appeal rights. Funding of successfully appealed applications will be limited to available funding.

2. *Administrative and National Policy Requirements.* Additional requirements that apply to grantees selected for this program can be found in 7 CFR part 4284 subpart J; the Grants and Agreements regulations of the Department of Agriculture codified in §§2 CFR 180, 200, 400, 415, 417, 418, 421; §§2 CFR 25 and 170; and 48 CFR 31.2, and successor regulations to these parts.

In addition, all recipients of Federal financial assistance are required to report information about first-tier subawards and executive compensation (see 2 CFR part 170). You will be required to have the necessary processes and systems in place to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) reporting requirements (see 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)). More information on these requirements can be found at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

The following additional requirements apply to grantees selected for this program:

- (i) Agency approved Financial Assistance Agreement.
- (ii) Letter of Conditions.
- (iii) Form RD 1940-1, "Request for Obligation of Funds."
- (iv) Form RD-400-4, "Assurance Agreement."
- (v) SF LLL, "Disclosure of Lobbying Activities," if applicable.

(vi) Form RD 1942-46, “Letter of Intent to Meet Conditions.”

(vii) Use Form SF 270, “Request for Advance or Reimbursement.”

3. *Reporting.* After grant approval and through grant completion, you will be required to provide the following, as indicated in the Financial Assistance Agreement and specified at 7 CFR 4284.960:

(a) An SF-425, “Federal Financial Report,” and a project performance report will be required on a semiannual basis (due 30 working days after end of the semiannual period). For the purposes of this grant, semiannual periods end on March 31st and September 30th. The project performance reports shall include the elements prescribed in the Financial Assistance Agreement.

(b) A final project and financial status report within 120 days after the expiration or termination of the grant.

(c) Provide outcome project performance reports and final deliverables.

G. Federal Awarding Agency Contacts

If you have questions about this notice, please contact the USDA RD State Office as identified in the ADDRESSES section of this notice. You may also contact National Office staff at CPGrants@wdc.usda.gov or call the main line at (202) 720-1400.

H. Other Information

1. *In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35), the information collection requirements associated with the programs, as covered in this Notice, have been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570–0064.*

2. *National Environmental Policy Act.* All recipients under this Notice are subject to the requirements of 7 CFR part 1970. However, awards for planning and working capital grants under this Notice are classified as a Categorical Exclusion according to 7 CFR 1970.53(b), and usually do not require any additional documentation.

The Agency will review each grant application to determine its compliance with 7 CFR part 1970. The applicant may be asked to provide additional information or documentation to assist the Agency with this determination.

3. *Federal Funding Accountability and Transparency Act.* All applicants, in accordance with 2 CFR part 25, must be registered in SAM and have a UEI as stated in Section D.3. of this Notice. All recipients of Federal financial assistance are required to report information about first-tier subawards and executive total compensation in accordance with 2 CFR part 170.

4. *Civil Rights Act.* All grants made under this Notice are subject to title VI of the Civil Rights Act of 1964 as required by the USDA (7 CFR part 15 subpart A-- Nondiscrimination in Federally-Assisted Programs of the Department of Agriculture - Effectuation of title VI of the Civil Rights Act of 1964) and section 504 of the Rehabilitation Act of 1973, title VIII of the Civil Rights Act of 1968, title IX, Executive Order 13166 (Limited English Proficiency), Executive Order 11246, and the Equal Credit Opportunity Act of 1974.

5. *Nondiscrimination Statement.* In accordance with Federal civil rights laws and USDA civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain

program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the 711 Relay Service.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at <https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

(1) Mail: U.S. Department of Agriculture

Office of the Assistant Secretary for Civil Rights

1400 Independence Avenue, SW

Washington, D.C. 20250-9410; or

(2) Fax: (833) 256-1665 or (202) 690-7442; or

(3) Email: program.intake@usda.gov

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Karama Neal,
*Administrator,
Rural Business - Cooperative Service,
USDA Rural Development.*

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